A'

conditions wherein the temperature is about 22°C to about 29°C and the pH is about 5.5 to about 7.5 resulting in the synthesis of cephalosporin C and expression of cephalosporin esterase wherein the cephalosporin C so produced is converted to desacetylcephalosporin C and the chemical breakdown of cephalosporin C to 2-(D-4-amino-4-carboxybutyl)-thiazole-4-carboxylic acid is less than 40%.

Please cancel claims 2 and 7.

Please amend claims 8-13 as follows:

- 8. The process of Claim 1 carried out at a temperature of about 25°C to about 29°C and a pH of about 6.2 to about 7.0, during the vegetative cell growth phase; and at a temperature of about 22°C to about 26°C and a pH of about 5.7 to about 6.5 during the desacetylcephalosporin C production phase.
- 9. The process of Claim 1 wherein the recombinant nucleic acid encoding Rhodosporidium cephalosporin esterase is DNA.
- 10. The process of Claim 1 wherein the recombinant nucleic acid encoding Rhodosporidium cephalosporin esterase is DNA and a part of a plasmid.
- 11. The process of Claim 10 wherein the recombinant nucleic acid encoding *Rhodosporidium* cephalosporin esterase has the sequence of SEQ ID No: 1 or 3.
 - 12. The process of Claim 10 wherein the plasmid is pSJC62.3.
 - 13. The process of Claim 10 wherein the plasmid is pBMesterase11.

REMARKS

Claims 1-13 were pending in this application. Claims 2 and 7 have been cancelled. Thus, claims 1, 3-6 and 8-13 are now pending in the present application.